

Beginning January 1, 1999, Pollution Control Equipment for Manufacturing Facilities Will Be Exempt From Sales and Use Tax

The 1998 Legislature provided an exemption from sales and use tax for pollution control equipment for manufacturing facilities. This exemption is subject to the following limitations:

- Transactions for the purchase or lease, reconstruction, repair, or replacement of any facility, device, fixture, equipment, machinery, or structure used primarily for the control or abatement of pollution or contaminants in manufacturing, processing, compounding, or producing items of tangible personal property for sale at fixed locations shall not be subject to sales and use tax. Such transactions must be completed, or lease payments made, on or after January 1, 1999. Transactions completed, or lease payments made, prior to January 1, 1999, are not eligible for exemption.
- To qualify, such items must be installed or constructed to comply with a law implemented by, or a condition of a permit issued by, the Florida Department of Environmental Protection.
- The purchaser of the pollution control equipment must sign a certificate stating that the equipment, machinery, or materials to be exempted are required to meet such law or permit condition. A suggested format for the certificate is enclosed.
- The exemption is available to the manufacturer, to the general contractor, and to the general contractor's subcontractors.

To exempt the qualifying purchase(s), the owner or operator of the facility must give a certificate of exemption to the contractor or vendor. The contractor, in turn, would issue its own certificate to its subcontractors or to the vendor along with a copy of the certificate provided by the owner or operator. This process continues from subcontractors to sub-subcontractors until the actual purchase order is issued to the vendor or supplier for the qualifying equipment, machinery, or materials.

When extending a certificate for this exemption do not include another business entity's Certificate of Registration number (sales tax number) or Direct Pay Certificate number. A Certificate of Registration number or Direct Pay Certificate number may be used only by the business entity to which it was assigned.

The owner/operator, the contractor, and the subcontractors should retain all documents and records that could be used to support this exemption. These documents include, but are not limited to: (1) photocopies of certificates; (2) purchase orders; (3) invoices; (4) depreciation schedules; (5) chart of accounts; and, (6) permits.

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call Technical Assistance and Dispute Resolution, at 850-488-0717, Monday-Friday, 8 a.m. to 5 p.m., ET;

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, PO Box 7443, Tallahassee, FL 32314-7443.

Also, visit our Web site at <http://sun6.dms.state.fl.us/dor/> for forms and other information.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week using your fax machine handset and follow the instructions.

References:

s. 212.051, F.S.

SUGGESTED MANUFACTURING FACILITY CERTIFICATE

[Note: This certificate may be a separate document attached to purchase order(s) or may be incorporated within the purchase order(s) itself.]

The undersigned hereby declares that all devices, fixtures, machinery, equipment, or structures purchased (or leased) from _____ (Contractor's or Vendor's Name) will be incorporated into and/or become a component part of the fixed location at _____ (Address and City), Florida, County of _____ (County), and will be primarily used for the control or abatement of pollution or contaminants in the manufacturing, processing, compounding, or production of tangible personal property for sale. Further, the undersigned declares that said items are required pursuant to a law implemented by the Florida Department of Environmental Protection (DEP), or required under the condition of a permit issued by DEP.

I understand any person furnishing a false certificate to a vendor for the purpose of evading payment of any tax imposed under Chapter 212, Florida Statutes, shall be subject to the penalty set forth in Section 212.085, Florida Statutes, and as otherwise provided by law.

This certification relieves the vendor from the responsibility of collecting tax on exempt amounts. The Department looks solely to the purchaser for recovery of tax if the purchaser was not entitled to the exemption.

Purchasing Company: _____

By: _____ Title: _____

Date: _____